

# Bank of America Announces Nationwide Homeownership Retention Program for Countrywide Customers

## *Fact Sheet*

- The home retention program will systematically modify troubled mortgages with up to \$8.4 billion in interest rate and principal reductions for nearly 400,000 Countrywide Financial Corporation customers nationwide.
- The program was designed to achieve affordable and sustainable mortgage payments for borrowers who financed their homes with subprime loans or pay option adjustable rate mortgages serviced by Countrywide and originated prior to December 31, 2007 and who are seriously delinquent or are likely to become seriously delinquent as a result of loan features, such as rate resets or payment recasts.
- First-year payments of principal, interest, taxes and insurance will be targeted to equate to 34 percent of the borrower's income. Modified loans feature limited step-rate interest rate adjustments to ensure annual principal and interest payments increase at levels with minimal risk of payment shock and redefault.
- Modification options include, among others: FHA refinancing under the HOPE for Homeowners Program, interest rate reductions which may be granted automatically through streamlined processing, and principal reductions on Pay Option adjustable rate mortgages that restore lost equity for certain borrowers.
- Some loan modifications will be subject to compliance with servicing contracts and some will require investor approval.
- Countrywide mortgage servicing personnel will be equipped to serve eligible borrowers with new program elements by December 1, 2008 and will then engage in proactive outreach to eligible customers.
- Foreclosure sales will not be initiated or advanced for borrowers likely to qualify until Countrywide has made an affirmative decision on the borrower's eligibility.
- As part of agreements to resolve outstanding claims against Countrywide by certain states, borrowers in participating states will additionally be eligible to access their share of:
  - A Foreclosure Relief Program of \$150 million on a nationwide basis for payment to eligible Countrywide servicing customers who suffered foreclosure or are currently at serious risk of foreclosure having made only minimal payments since the time their mortgages were originated by Countrywide; and
  - An additional program, projected to make payments up to \$70 million to support customers with loans serviced by Countrywide who face imminent foreclosure, providing financial assistance with their transition from home ownership.
- Countrywide customers who believe they are eligible for the program can find program information at [countrywide.com](http://countrywide.com), or can call **800.669.6607**.
- Bank of America acquired Countrywide July, 1 2008. The cost of restructuring these loans is within the range of losses Bank of America estimated when it acquired Countrywide.
- Media should contact Dan Frahm at 818.225.4843 or another member of the communications team at 800.796.8448